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RFR STATE INSURANCE ADMINISTRATION

First reference to the creation of the new A.D.A.S. (State Insurance Administration) of the RFR (Rumanian People's Republic) was made in the July issues of the Bucharest papers. This new agency is said to be created for the purpose of insuring the personal and real property of RFR citizens, and, in all probability, supersedes the work of the "Sovromasigurare" (a joint enterprise insurance agency), which had been handling insurance cases in the past.

It appears that every property owner is required to insure his goods and property with the A.D.A.S., although this is not directly stated in the article. The new agency undertakes a broad coverage of all types of insurance cases, and adopts a special method of premium calculation, which results in attractive rates and substantial benefits to the insured. The following excerpt describes the operations of the State Insurance Administration.

The A.D.A.S. was organized to give low-premium coverage to the property of the RFR citizen. The new insurance is, in effect, a form of social insurance, in that it benefits the entire population; has a common fund, and is sustained by the premium contributions of all those insured.

The A.D.A.S. offers broad coverage against fire, storm, lightning, earthquake, hail, and flood damage to dwellings; against illness, disease, or death of domestic animals; against accidental loss of life or limb during travel; and against over-all damage to farm crops or machinery.

Insurance premiums are minimal. Premiums for dwelling units in cities, workers' centers, and health resorts amount to 30 pennies for each 100 lei of face amount. The face amount of the policy is determined in the following manner: If the dwelling unit has reinforced concrete frame and central heating, the face amount is 600 lei for each square meter of the dwelling unit; in

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constructions without central heating, 560 lei per square meter; in constructions of brick, without reinforced concrete frame but with water installation, bath, and electricity, 500 lei per square meter; in constructions without water or electricity, 400 lei per square meter; in constructions of wood or sun-baked brick, with water and electricity, 250 lei per square meter; those without water and electricity, 200 lei per square meter.

Basement dwelling units will be evaluated at 60 percent of the square meter value of the particular type of building of which they form a part. Attic dwelling units will be evaluated at 50 percent of the square meter value. Cellars will be evaluated at 50 percent of the square meter value, if they have painted walls and concrete floors, and 30 percent of the square meter value, if they have unpainted walls and no concrete floors.

A practical example of premium calculation and property evaluation is given: A brick or stone construction, with no reinforced concrete frame but with water, bath, and electricity, has an area of 56 square meters. The building will be insured for 28,000 lei, the face amount of the policy. This amount is determined by multiplying 56 square meters times 500. The yearly premium which the insured must pay is 0.30 percent of the face amount, namely 84 lei, to be paid in two semiannual installments.

The A.D.A.S. also insures travelers for up to 10,000 lei for accidental loss of life or limb, when such injuries or death result from travel on train, ship, or bus. Premiums for such insurance are 3 percent of the value of the train ticket, $2\frac{1}{2}$ percent of the value of the ship ticket, and $3\frac{1}{2}$ percent of the value of the bus ticket.

Farm insurance provided by the A.D.A.S. gives over-all coverage for damage to crops, injury to animals, or impairment of farm machinery at advantageous premium rates. The working peasants must reciprocate by taking exceptional care of their possessions.

Officials have already started to distribute insurance policies to every property owner in Bucharest. The policy shows the amount for which the building is insured and the amount of premium due. Citizens must pay all premiums promptly and keep a strong vigil against individuals who may try to benefit from false claims or deliberate losses.

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